

**SECRET**

8 JUN 1964

**MEMORANDUM FOR: Director of Security**

**SUBJECT : Classification of Credit Union Correspondence**

1. Please sign the three copies of the attached "Memorandum of Understanding," and the further attached letter transmitting it to the Director of Security of the Department of Health, Education and Welfare.
2. This Memorandum of Understanding was prepared by the HEW Director of Security to embody the agreements reached by us with him and with representatives of the Bureau of Federal Credit Unions, a part of HEW. The arrangements became necessary when it was determined in March 1964 that certain reports made by our Northwest Federal Credit Union to the Bureau, and the data obtained by examiners of the Bureau who audit our Credit Union accounts, are indicative of the personnel strength of our Agency, and hence must be classified.
3. The provision that we will process the Bureau examiners for personnel security approval is unchanged from our present practices. The change made is that these examiners now will come from the Washington Headquarters of the Bureau, instead of from their regional office at Charlottesville, Virginia; this is advantageous to us in that the classified material will be at only this one principal office.
4. It is necessary that we furnish a safe to the Bureau's Washington Headquarters because it does not otherwise handle any classified material. The theory under which we have proceeded is that we are setting up within the Bureau our own classified materials channel for the protection of our classified information which must be given into the custody of the Bureau.

25X1A

**SIGNED**

**Deputy Director of Security (PPS)**

**Attachments:**

**As Stated Above**

**SECRET**

Classification